



Transaction Privilege Tax Changes and News

This publication is an informational notice included with the August 2006 Transaction Privilege Tax Return.

TOWN OF KEARNY

Effective October 1, 2006: On July 17th, 2006 the Mayor and Town Council of the Town of Kearny passed ordinance number 06-170. Ordinance 06-170 increases the Kearny Town Privilege Tax from 2% to 2.5%. The tax rate increase affects the following classifications:

Advertising; Amusements; Job printing; Manufactured buildings; Timbering and other extraction; Publishing; Hotels; Rental, leasing and licensing for use of real property; Rental, leasing, and licensing for use of tangible personal property; Restaurants and Bars; Retail; Telecommunications; Transporting for hire and Utilities.

Ordinance 06-170 also increases the Kearny Town Privilege Tax on Construction contracting; construction contractors, Construction contracting; speculative builders and Construction contracting owner-builders who are not speculative builders from 2% to 3.5%. The tax on Construction contracting shall be reported using KN015.

The increase imposed by this ordinance shall not apply to contracts entered into prior to the effective date of the ordinance. Pre-existing contracts should be reported using KN009 at a rate of 2%.

RENTAL OCCUPANCY TAX, MEMBERSHIP CAMPING CLASSIFICATION AND TIMBER SEVERANCE TAX REPEAL

Effective November 1, 2006: The Legislature passed and Governor Napolitano signed House Bill 2876 repealing the Rental Occupancy Tax (class 028), the Timbering Severance Tax (classes 020, 021, and 022) and the Membership Camping Classification (class 047). There will be no state or county tax on these activities beginning November 1, 2006, so you do not have to report income from these activities occurring after October 31, 2006. Some cities and towns will, however, continue to tax these activities.

Please refer to our website at www.azdor.gov for updated information.



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